

Attorney Docket No.: 394423

REMARKS

DRAFT

Claim Status

Claims 1-41, 63-68, 70 and 71 remain pending in this U.S. Patent Application No. 09/903,444 (the "444 Application"). Claim 69 is cancelled herewith. Claims 63-68, 70 and 71 remain withdrawn. Claims 1, 12, 24, 25, 29, 31, 33, 36, 63 and 66 are amended without new matter pursuant support from the specification, for example in paragraphs [0022], [0057], [0062], [0074] – [0075] and [0107].

Claims 12 and 33 stand rejected under 35 U.S.C. § 112. Claims 1-3, 5, 7, 8, 18, 19, 23, 31 and 32 stand rejected under 35 U.S.C. § 102. Claims 4-7, 9-17, 20-22, 24-30, 33 and 38-41 stand rejected under 35 U.S.C. § 103(a). Applicants submit that the amendments and remarks herein below overcome all of the aforementioned rejections.

SUMMARY ARGUMENTS

Election/Restrictions

Regarding Applicant's argument that Group I and Group III should be examined together, the Examiner states that "In the present case, the species claims do not require all the limitations of the generic claim. For instance, the proposed species claims recite a plurality of kiosks, while claim 1 recites "one or more" kiosks. *The proposed species do not require that the number of kiosks can be one.*" Office Action p. 2, third paragraph, emphasis added.

Respectfully, we disagree with the Examiner's reasoning. As the Examiner notes, per MPEP § 806.04(d), a generic claim "should require no material element additional to those required by the species claims, and each of the species claims must require all the limitations of the generic claim." The Examiner appears to be applying section 806.04(d) in reverse, requiring that the species claims have no element additional to the generic claim.

Applicant's claim 1 recites "one or more kiosks". The proposed species claims recite "a plurality of kiosks." Contrary to the Examiner's statement, the species claims do require the limitation of one kiosk because *there cannot be a plurality of kiosks without there being one kiosk*. The proposed species claims therefore do require all the limitations (one kiosk) of the generic claim. To further insure the correct correspondence between generic claim 1 and the aforementioned species claims, claim 63 is amended to mirror the amendments made to

Attorney Docket No.: 394423

claim 1. We maintain that groups I and III should be examined together, thus, Applicant's traverse of the Restriction Requirement stands.

Claim Rejections – 35 U.S.C. § 112

DRAFT

Claims 12 and 33 stand rejected under 35 U.S.C. § 112, second paragraph, as being indefinite. We submit that the following amendments overcome the § 112 rejection:

Claim 12 is amended (a) to replace "the one kiosk" with "the second kiosk", and (b) to depend from claim 2, which provides antecedent basis for the second kiosk.

Claim 33 is amended to re-order the claim elements so that the phrase "wireless device" is grouped with a mobile phone and a pager.

Claim Rejections – 35 U.S.C. § 102

Claims 1-3, 5, 7, 8, 18, 19, 23, 31 and 32 stand rejected under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent No. 5,934,439 (hereinafter, "Kanoh"). We respectfully disagree, for at least the following reasons:

Among other patentable features, amended claim 1 includes the limitations of

- (A) determining, at the server, inventory of the optical recording media of each of the kiosks;
- (B) routinely obtaining, at the server, operational status of each of the kiosks; and
- (C) automatically interfacing with a first user via a touch screen at a first kiosk in a first transaction for first local optical recorded media, the touch screen providing a touch-selectable listing of optical recorded media, including the first local optical recorded media, contained within the first kiosk, the first kiosk being one of the kiosks, the first user being one of the users.

The above amendments are fully supported by the specification. For example, regarding element (A), the '444 Application recites: "Each kiosk 200 preferably has a database stored in memory 203 of its kiosk inventory; and this inventory is preferably duplicated at the core server 103, FIG. 1." Specification, ¶ [0074]. Furthermore, "In another aspect, a system of the invention provides real time inventory of connected kiosks. A user of the system can access the Internet and review the DVDs available at any of the connected kiosks." ¶ [0022]. Upon return of recorded optical media to a kiosk, "the kiosk reads a serialized code from bar code 701B to identify the individual disk 700 and to register it with the disk inventory database.

Attorney Docket No.: 394423

DRAFT

The inventory database information is eventually relayed to core server 103, FIG. 1." Specification, ¶ [0107].

Claim 1 element (B) is also supported by the specification. For example, in one embodiment, operational status (e.g., whether the kiosk is on or off) may be determined "every five or ten minutes", Specification, ¶ [0075]

Claim 1 element (C) likewise finds support throughout the specification and drawings. Claim 8 for example shows a kiosk with a touch screen. "Once a touch screen is activated, a computer in the kiosk generates a touch-selectable list of available media: movie genres such as Action, Drama, Romance, and Comedy, for example. By touching on one of the genres, a selection of associated titles and/or a promotional picture may appear on the screen." Specification, ¶ [0062]

Kanoh does not teach or suggest determining inventory of each kiosk at a server, as in element (A), above. Kanoh is silent as to inventory, or how inventory might be determined. The Examiner recognizes that Kanoh does not show this element of claim 1, on page 6, second paragraph of the pending Office Action.

Kanoh also fails to teach or suggest routinely obtaining operational status of kiosks at a server, as in element (B), above. Kanoh nowhere mentions any means or method for determining operational status of his rental apparatus.

Finally Kanoh does not teach or suggest a touch screen, or a touch-selectable listing of optical recorded media, as recited in claim 1, element (C).

Kanoh clearly fails to anticipate claim 1, because Kanoh fails to teach or suggest at least three of Applicant's claim elements. Withdrawal of the Examiner's rejection, and allowance of claim 1 are respectfully requested.

Claims 2, 3, 5, 7, 8, 18, 19, 23, 31 and 32: These claims depend from amended claim 1, and are therefore considered allowable, at least because they depend from an allowable base claim. However, there are additional reasons for patentability of these claims. For example, among other failings, the Examiner notes that Kanoh fails to recite the limitations of claim 5. See Office Action p. 5, third paragraph. Withdrawal of the Examiner's rejection, and allowance of claims 2, 3, 5, 7, 8, 18, 19, 23, 31 and 32, are respectfully requested.

Claim Rejections – 35 U.S.C. § 103

Attorney Docket No.: 394423

DRAFT

Claims 4-7, 9-17, 20-22, 24-30, 33 and 38-41 stand rejected under 35 U.S.C. §103(a). Applicants again respectfully disagree and traverse the rejection.

The aforementioned claims all depend from claim 1, which is not anticipated by Kanoh. We further submit that claim 1 is non-obvious. The Examiner appears to agree, as claim 1 is not rejected under 35 U.S.C. § 103. Courts have ruled that if an independent claim is nonobvious under 35 U.S.C. § 103, then any claim depending therefrom is nonobvious. In *re Fine*, 837 F.2d 1071.5 USPQ2d 1596 (Fed. Cir. 1988). We therefore submit that claims 4-7, 9-17, 20-22, 24-30, 33 and 38-41 are allowable at least due to their dependence from claim 1.

Furthermore, we respectfully disagree with the Examiner's stance regarding these claims. The Examiner has either stated that limitations of these claims would have been an obvious matter of design choice (in the case of claims 5, 7 and 9-11), or the Examiner has taken official notice that limitations of these claims are "old and well known" (in the case of claims 4, 6, 12-17, 20-22, 24-30, 33 and 38-41).

Claims 5, 7 and 9-11: Regarding claims 5 and 7, the Examiner states that modifying Kanoh by scanning two bar codes instead of one would have been obvious, "since the application does not disclose that storing or scanning the information in two separate codes solves a particular problem or is for any particular purpose." We strongly disagree.

First, we note that claims 5 and 7 depend from claim 3, which is not deemed obvious, and which is also not anticipated by Kanoh. Second, we contend that the '444 Application does disclose that storing or scanning the information in two separate codes solves a particular problem or is for a particular purpose.

Applicant's specification clearly recites: "Preferably, two bar codes are read, specifying a "group" association and an individual media identification. *A "group" bar code specifies how one optical media may travel between kiosks* (for example, one distributor may control several kiosks and yet permit returns to any of the kiosks). *An "individual media identification" bar code may generally be a serialization of one DVD in an array of DVD disks.*" Specification, ¶ [0017]; See also ¶ [0107] and claim 3 in combination with claim 5. The purpose of the two bar codes, as shown, is to allow optical media to travel between kiosks, e.g., to permit returns of the media to any of the kiosks.

Such a feature would not have been obvious; in fact, Kanoh teaches against a group bar code that specifies how one optical media may travel between kiosks. Kanoh specifically states that "It is not unusual for a user to erroneously return the wrong video cassette."

Attorney Docket No.: 394423

DRAFT

Kanoh col. 9, lines 54-55. "When the video cassette is erroneously returned, notice is provided to the user instructing them to remove the video cassette from the renting and returning opening 36." Kanoh col. 6, lines 13-16. Kanoh provides auxiliary storage for a wrongly-returned media. See Kanoh col. 6, lines 4-16. However, there is absolutely no provision in Kanoh for identifying the returned media as one belonging to a group of kiosks. Thus, it follows that unless a renter retrieves the wrongly returned media and returns it to the apparatus from which the media was originally rented, the renter is charged for the full purchase price of the media. See, e.g., Kanoh col. 4, lines 53-61; col. 5, lines 48-60.

Regarding claims 9-11, we disagree that it would have been obvious to provide for sensing of characteristics of a case, such as holes or blocked regions, as disclosed in claims 9-11. For example, Kanoh teaches away from opening a door to an input/output slot of a kiosk to accept the case and optical media when the characteristics match the predetermined characteristic, as in claim 9. Instead, Kanoh specifies an opposite order of operations: "During a returning control operation, when the return key 37c is pressed, the renting and returning opening 36 is opened to receive the video cassette (step ST71). The identification information, such as bar code adhered on the video cassette is read by the reader 61 (step ST72)." Kanoh col. 7, lines 47-49; FIG. 7. Claims 10, 11 depend from claim 9 and benefit from like argument. Furthermore, Kanoh makes no provision for reading physical characteristics of a case, such as holes or blocked regions.

As shown, Kanoh teaches away from claims 5, 7 and 9-11. We therefore submit that *prima facie* obviousness is not established.

Claims 4, 6, 12-17, 20-22, 24-30, 33 and 38-41: Before addressing the Examiner's official notice regarding elements of these claims, we note that claim 6 depends from claim 5, argued above, and thus benefits from like argument. Claim 12 recites the unique limitation of tracking inventory movement between first and second kiosks, which has not been addressed by the Examiner (the Examiner only discusses tracking inventory movement at a central server and is silent as to tracking movement of inventory between kiosks). We contend that claim 12 is non-obvious, at least due to this unique feature. Claims 4 and 12 are thus believed non-obvious, and reconsideration of both claims 4 and 12 is respectfully requested.

Returning to the issue of official notice, we respectfully remind the Examiner that:

"To reach a proper determination under 35 U.S.C. 103, the examiner must step backward in time and into the shoes worn by the hypothetical "person of ordinary skill in the art" *when the invention was unknown and just before it was made*. In view of all factual information, the examiner must then make a

*Attorney Docket No.: 394423***DRAFT**

determination whether the claimed invention "as a whole" would have been obvious at that time to that person. Knowledge of applicant's disclosure must be put aside in reaching this determination, yet kept in mind in order to determine the "differences," conduct the search and evaluate the "subject matter as a whole" of the invention. The tendency to resort to "hindsight" based upon applicant's disclosure is often difficult to avoid due to the very nature of the examination process. However, impermissible hindsight must be avoided and the legal conclusion must be reached on the basis of the facts gleaned from the prior art." MPEP 2142, emphasis added.

We contend that regardless of the Examiner's official notice, it would not have been obvious to combine the "official notice" features with Kanoh. In other words, the combined features of these claims is not known. Furthermore, there is no suggestion or motivation within Kanoh to make such combinations. We therefore request evidence (MPEP §2144) that such combinations would have been obvious at the time the invention was made.

Next, we note that all of the claims rejected under 35 U.S.C. § 103 depend from claim 1, which is believed patentable. The Examiner's finding of official notice is therefore a moot point, because claims 4, 6, 12-17, 20-22, 24-30, 33 and 38-41 are non-obvious at least due to their dependence upon a non-obvious base claim.

CONCLUSION

In summary, Applicants have shown why claims 1-41 are patentable over Kanoh. The arguments presented herein above apply equally to claims 63-68, 70 and 71. We hold that claim 1 is generic to claims 63-68, 70 and 71; therefore, upon allowance of claim 1, we respectfully request consideration of claims 63-68, 70 and 71.

No fees are believed due; however, if any fee is deemed necessary in connection with this Amendment and Response, the Commissioner is hereby authorized to charge Deposit Account No. 12-0600. Should any issues remain, the Examiner is encouraged to telephone the undersigned attorney.

Respectfully submitted,

LATHROP & GAGE LC

Date: _____

By: _____

Curtis A. Vock., Reg. No. 38,356
4845 Pearl East Circle, Suite 300
Boulder, Colorado 80301
Telephone: (720) 931-3011
Facsimile: (720) 931-3001